

No. S-24013/1/2020-EA-RFD
Government of India
Ministry of Steel
(Economic Division)

Udyog Bhawan, New Delhi
Dated: 14th July, 2021

OFFICE MEMORANDUM

Sub: Monthly Summary for the Cabinet for the month of June, 2021.

The Undersigned is directed to circulate herewith a copy of the unclassified portion of the Monthly Summary pertaining to the Ministry of Steel for the month of June, 2021 for information.

Encl: As above.



(Raj Kumar)

Deputy Director

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To,

1. Members of the Council of Ministers
2. Vice Chairman, NITI Aayog, NITI Bhawan, New Delhi
3. All Members of NITI Aayog, NITI Bhawan, New Delhi
4. Cabinet Secretary, Rashtrapati Bhawan, New Delhi
5. All Secretaries to the Government of India
6. Chief Economic Adviser, Ministry of Finance, North Block, New Delhi
7. Addl. Chief Economic Adviser, Ministry of Railways, Railway Board, R.No. 301, 3rd Floor, Pragati Maidan Metro Station Building Complex, New Delhi.
8. Information Officer, PIB, Shastri Bhawan, New Delhi steel_pib@nic.gov.in
9. PS to SM
10. PS to MoS
11. Sr. PPS to Secretary (Steel),
12. Sr. PPS to AS&FA
13. PPS to AS
14. PS to JS(R), PS to JS(K), PPS to JS(S), PS to DDG.
15. NIC (Steel)-(with a request to upload on the website of the Ministry of Steel)

No. S-24013/1/2020-EA-RFD

मासिक सारांश

MONTHLY SUMMARY

ON

लौह एवं इस्पात

IRON & STEEL

जून - 2021

June - 2021

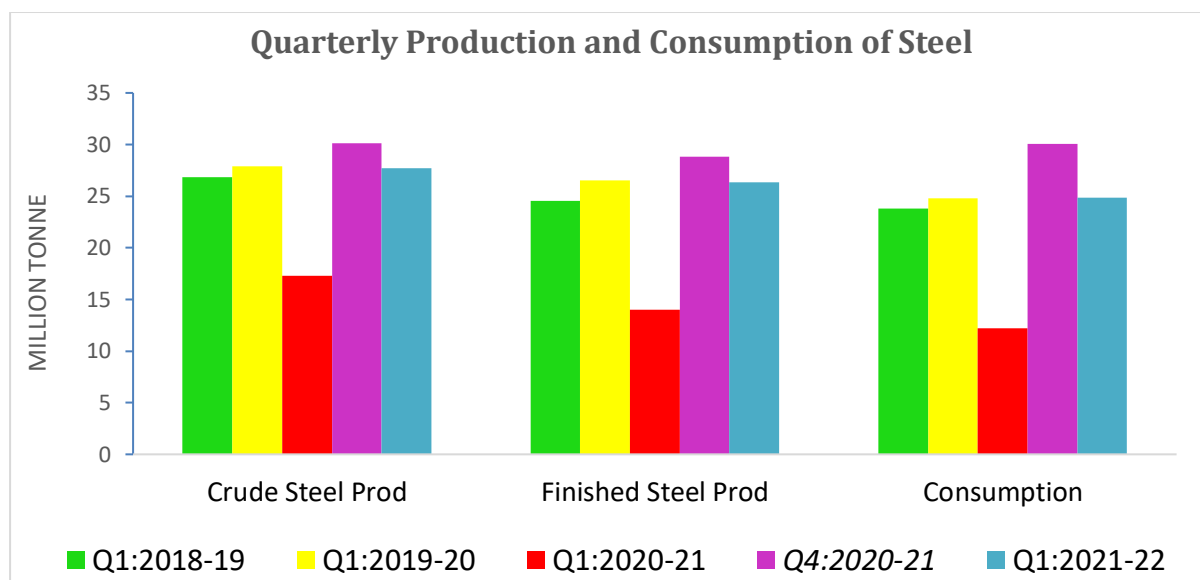
भारत सरकार/ GOVERNMENT OF INDIA

इस्पात मंत्रालय/ MINISTRY OF STEEL

The important developments in the steel sector during the first quarter of the current fiscal and month of June, 2021 are as following:

- A R&D collaborative project with private sector participation on development of steel slag-based cost-effective eco-friendly fertilisers for sustainable agriculture and inclusive growth led by ICAR-IARI in association with Industrial partners namely SAIL (20%), TATA Steel (20%) and JSW (20%) has been approved with balance 40% funding by the Government.
- Steel industry has supplied 3.25 lakh Metric tonnes of Liquid Medical Oxygen (LMO) to 17 States across the country since 11th September 2020 of which 2.14 lakh MT was supplied during Q1:FY22. In addition, the steel industry has already established jumbo covid facilities adding to about 3400 oxygenated beds, using gaseous oxygen co-located with their plants.
- Minister of Steel dedicated a 100-bedded COVID care facility in SAIL's Rourkela Steel Plant to the service of Nation on 2nd June, 2021 which was expanded to 441 beds by month-end. In addition, SAIL's 114 oxygenated beds Jumbo Covid Care Centre at BSP Bhilai and MOIL's 100 oxygenated beds COVID Care facility in Mandla District, Madhya Pradesh were also dedicated to the nation during the month.
- The production and consumption of steel during the first quarter of the fiscal year 2021-22 (Q1:FY22) registered significant improvement over their respective levels in Q1:FY21 which saw a significant contraction due to COVID-19 lockdown with production of crude steel, finished steel and consumption of steel increasing by 60.6%, 87.7% and 103.1%, respectively. However, production and consumption of steel was comparable to the levels achieved during Q1 of the pre-pandemic previous two years i.e., FY20 and FY19 with production of crude steel and finished steel during Q1:FY22 being higher than that during Q1:FY19 but marginally lower than Q1:FY20 while consumption of finished steel in Q1:FY22

remained higher than consumption during Q1 in both these years. Production and/or consumption of crude and finished steel was lower than that achieved during the preceding quarter i.e., Q4:FY21. The trend in quarterly production and consumption of steel may be seen from the following graph.



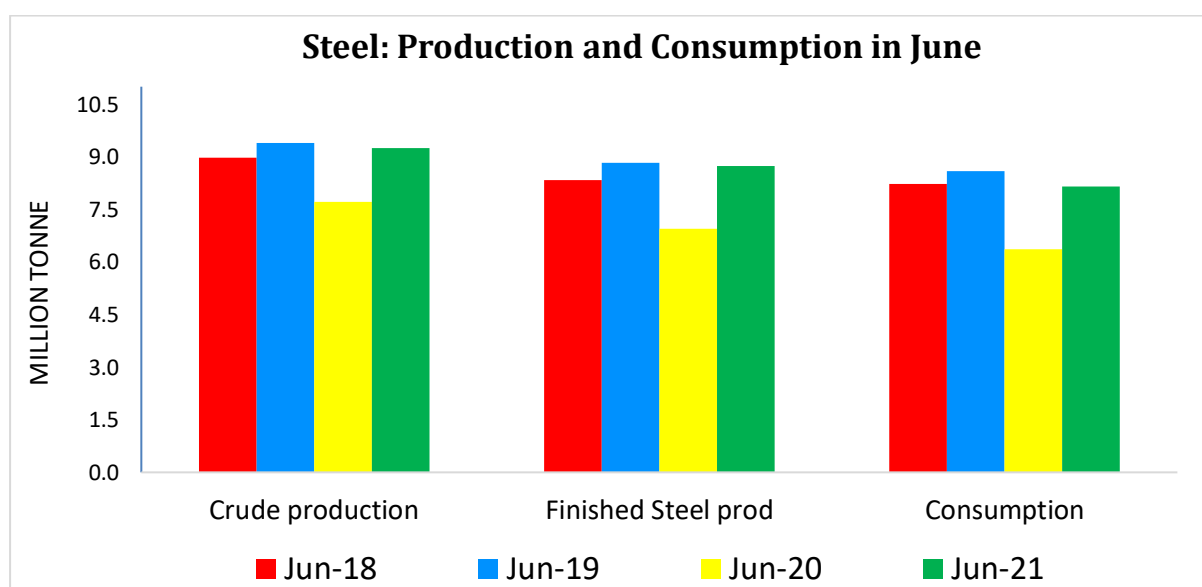
- During the month of June 2021, production of Hot Metal, Crude Steel and Saleable Steel by SAIL stood at 1.382 MT, 1.303 MT and 1.271 MT respectively which is an improvement of 44%, 46% and 35% over their respective performance during June'20 and an increase of 0.11%, 5.35% and 2.29% M-o-M. The cumulative production performance during Q1:FY22 for Hot Metal, Crude Steel and Saleable Steel stood at 4.13 MT, 3.77 MT and 3.77 MT respectively which is an improvement of 54.4%, 52.4% and 65.5% respectively over the performance during CPLY. Saleable Steel Sales during June'21 at 1.06 MT was lower by 17.2% over CPLY and 2.6% M-o-M. The cumulative sales performance during Q1:FY22 stood at 3.34 MT which is a growth of 49.2% over CPLY.

- Iron ore production by NMDC Ltd. for the month of June, 2021 was 2.98 MT while sales of iron ore stood at 3.18 MT registering an increase of 18.4% and 28.1%, respectively over CPLY. While month-over-month(M-o-M) production of iron ore increased by 6.6%, sale of iron ore decreased by 3.6% during June, 2021. The cumulative iron ore production at 8.89 MT and sale at 9.57 MT during Q1:FY22 were 34.6% and 49.4% higher over CPLY respectively.

- During the month of June, 2021, KIOCL produced 1.96 lakh tonne Pellets and sold 2.08 lakh tonne of Pellets which were 18.3% and 31.3% lower than CPLY. As compared to May'21, production and sales of Pellets declined by 13.7% and 21.2% respectively in June'21. During Q1:FY22, the KIOCL Pellet production stood at 6.03 lakh tonnes while sales were 6.31 lakh tonnes recording an increase of 18% and 11%, respectively over CPLY.
- Ministry of Steel held the meeting of Inter-Ministerial Steering Committee (IMSC) on National Infrastructure Pipeline (NIP) of Steel sector on 5th July 2021. It was informed that the issue of Right of Way (RoW) for two National Infrastructure Pipeline projects viz., Joda to Kalinganagar Slurry Pipeline in Odisha by TATA Steel for 153 Km along NH-20 and Keonjhar to Paradip Slurry Pipeline in Odisha by ESSAR MINMET Ltd. along NH-20, NH-53 and NH-16 has been resolved with permission for laying the pipeline having been issued by NHAI during June, 2021.
- In the nine ongoing projects, having cost of Rs. 150 crore or above, uploaded on the OCMS portal of MoSPI, cumulative expenditure of Rs. 23,243 crore has been incurred against the total cost of Rs. 31,567 crore.
- The CPSEs under the Ministry of Steel achieved a CAPEX of Rs. 1247.50 crore in Q1:FY22. The progress of CAPEX was reviewed by the Minister of Steel and subsequently by the Finance Minister wherein Steel CPSEs were directed to frontload the CAPEX spending to Q2 and Q3 from Q4 of the current fiscal.
- The status of pending payments to MSMEs by CPSEs of the Steel Ministry is being monitored on weekly basis to ensure that the same is credited timely and well within the 45 days' time limit for such payments. Payment of Rs. 407.48 crore was made by steel PSEs to MSMEs during June 2021 as against Rs. 372.42 crore during May 2021.

12. Production and Consumption Scenario:

i. The comparative picture of production and consumption of steel during the month of June over the last four years is depicted in the following graph. It is seen that the production of crude and finished steel and consumption of finished steel during the month of June, 2021 is much higher than that of last year, due to COVID-19 induced lockdown. When compared to the same month of earlier/preceding years, production of crude steel and finished steel during June, 2021 is higher than that in June, 2018 but lower than June, 2019. However, consumption of finished steel in June, 2021 is lower than that in the same month of both these years.



- ii. Production of crude steel in June, 2021 increased by 19.9% over the same month of the last year and by 0.5% over production in the previous month i.e., May, 2021.
- iii. Production of finished steel in June, 2021 was higher by 25.8% over CPLY but it declined marginally by 0.2% on M-o-M basis.
- iv. Consumption of finished steel in June, 2021 registered an increase of 28.4% over June, 2020 but it declined by 0.8% on M-o-M basis.
- v. The consumption and net export taken together were higher than production during June, 2021 which resulted in absorption of inventories with the

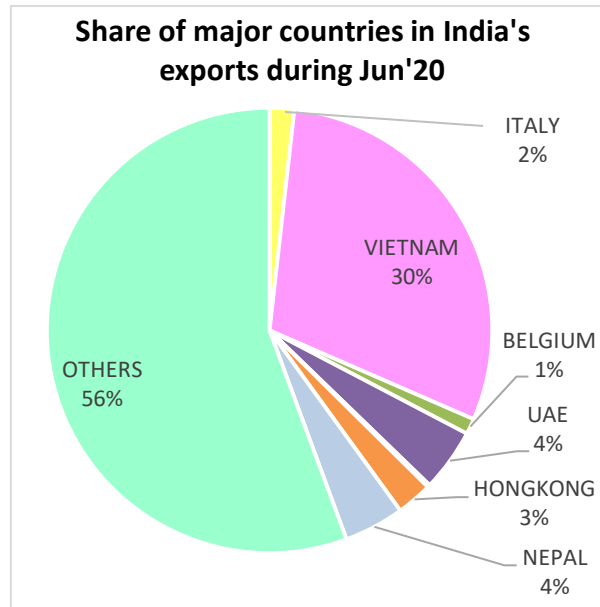
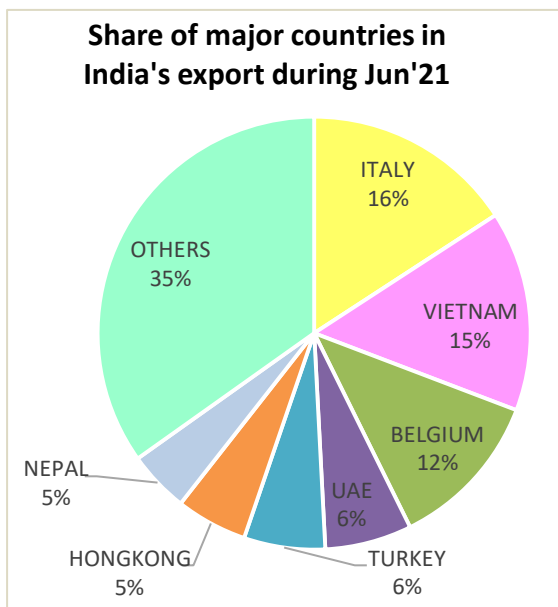
steel producing companies. Accordingly, the closing stock of finished steel at the end of June, 2021 was 8.07 MT which is 3.7% lower than that at the end of previous month and 39.3% lower than the same month of previous year.

- Export-Import Scenario:** The month-wise export and import data indicate that progressive unlocking of the economy and improving economic activities led to improved domestic demand resulting in decline/moderation in export from June'2020 and higher import from August'2020. However, during the last two months of the fiscal 2020-21, there was an uptrend in export while import remained range bound. In the current fiscal, export and import both declined in April. But in the subsequent months viz., May'21 and June'21 export of finished steel increased significantly while imports remained range bound due partly to the rising international prices. The trend in export and import of finished steel may be seen from the following graph:

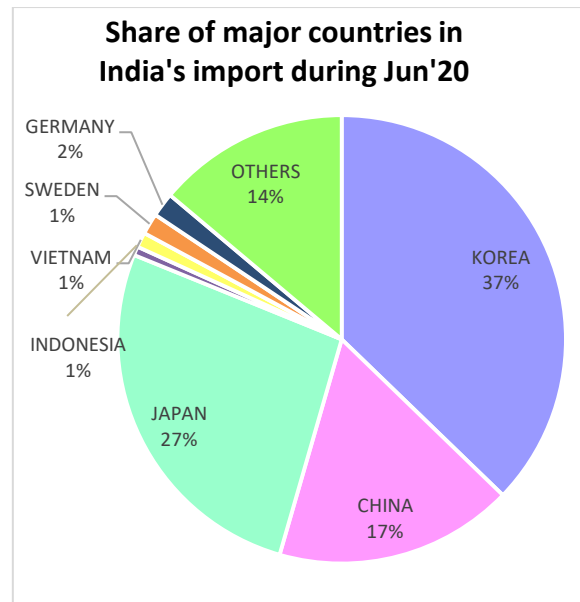
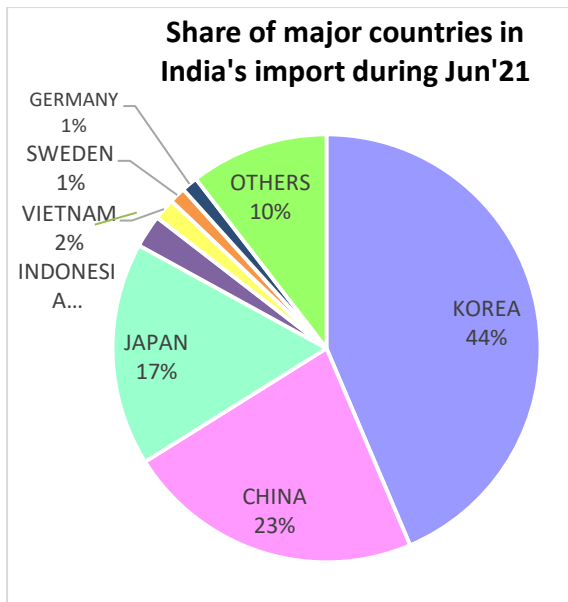


- Export of finished steel in Q1:FY2021-22 increased by 8.9% over CPLY and 43.9% over the preceding quarter i.e., Q4:FY2020-21 while import declined by 4.5% and 25.0% respectively over the same period.

- ii. During June, 2021 export declined by 11.8% over CPLY, but was higher by 10.6% M-o-M. Import in June, 2021 increased by 50.9% over CPLY and 2.2% M-o-M, respectively.
- iii. India was net exporter of finished steel during June, 2021 recording a net trade surplus of 0.97 MT.
- iv. Share of Italy, Belgium, UAE, Turkey, Hong Kong and Nepal in total steel export from India was higher in June, 2021 as compared to June, 2020. However, share of Vietnam in India's total steel export declined over the same period as may be seen from the following graph.

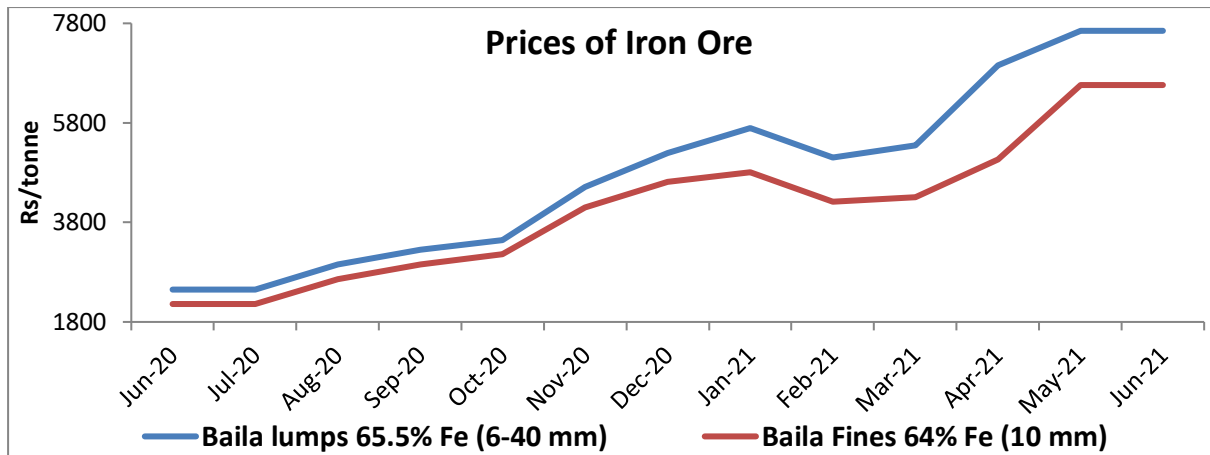


- v. Share of Korea, China, Indonesia and Vietnam increased in total steel import of India in June, 2021 as compared to June, 2020 while it declined for Japan, Sweden and Germany over this period as may be seen from the following graph:

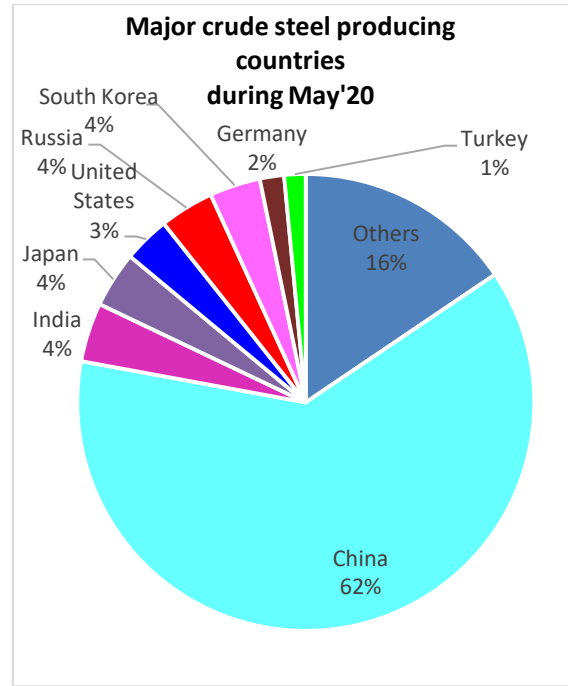
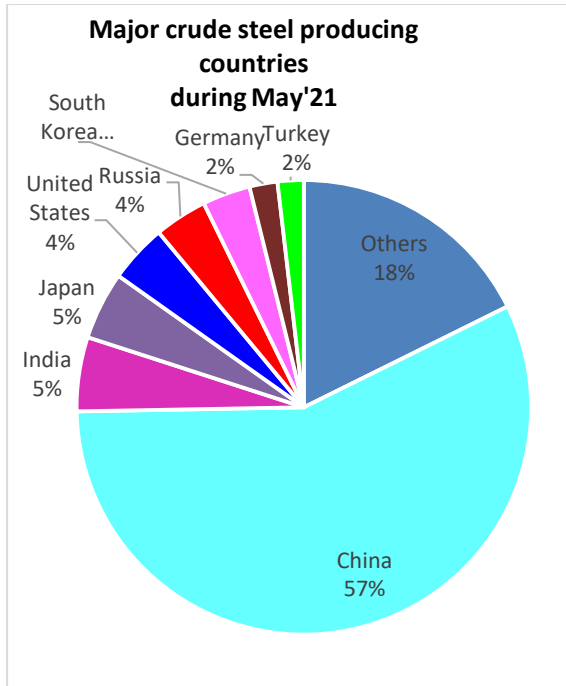


- **Price scenario:**

- i. During the month of June, 2021, prices of iron ore lumps as well as fines remained unchanged at Rs. 7650/tonne and Rs. 6560/tonne respectively, which is same as their respective prices in May, 2021.
- ii. NMDC achieved production of 29.8 lakh tonnes and sales of 31.8 lakh tonnes of iron ore in June, 2021. The production and sale of iron ore were 18.4% and 28.1% higher than production during CPLY, respectively. SAIL booked 5.52 lakh tonnes of iron ore for sale and dispatched 4.42 lakh tonnes during the month. The cumulative booked quantity by SAIL during the quarter was 11.24 lakh tonnes and despatches stood at 8.74 lakh tonnes.
- iii. The retail prices (Mumbai prices) of Rebar, increased by 0.86% while it declined by 0.68% and 0.37% for HRC and CRC respectively during June, 2021.
- iv. The trend in iron ore prices may be seen from the graph below:



- BSE Sensex showed an upward trend during June, 2021 registering increase of 0.8% while BSE Metal Index declined by 1.7% during the month indicating some moderation in sentiments with respect to metal sector during the month.
- The global production of crude steel increased by 16.5% in May, 2021 over May, 2020 with almost all major producing countries reporting improved production over CPLY. The major contribution to the enhanced global production in May'21 over May'20 came from China, India, USA, Japan, United States, Germany, Brazil and Turkey with most other producing countries also chipping in. The major producing countries (with production of 1 million tonne for the month) registering higher than global average of 16.5% growth in production in May, 2021 over CPLY include India, Japan, USA, Germany, Turkey, Brazil, Italy, Vietnam, Mexico, Spain, France and Canada with none recording a decline during May, 2021 over CPLY. As for the share of major producing countries in the global production of crude steel, it is seen that due to the uptick in production in other countries, share of China and South Korea declined while that of India, Japan, USA and Turkey improved during this period, the share of other major producers remained stable as may be seen from the following graph:



- The details of procurement of goods and services through GeM Portal by Ministry of Steel and Steel PSUs are as following:

Organization	June 2021		April-June, 2021-22	
	No. of Orders	Value of orders (Rs. in Lakhs)	No. of Orders	Value of orders (Rs. in Lakhs)
Ministry of Steel	56	18.6	100	24.87
Steel CPSEs	639	48897.33	1472	84393.00